

### **MEMORANDUM**

To:

PLANNING COMMISSION

Date: June 13, 2006

From:

COMMUNITY DEVELOPMENT DEPARTMENT

Subject:

Program EIR Scoping Meeting for the Ojo de Agua Redevelopment Project

Amendment

### REQUEST

Hold a Program EIR scoping meeting pursuant to the California Environmental Quality Act.

### RECOMMENDATION

Environmental Assessment: See attached Initial Study

Application: N/A

Processing Deadline: N/A

### **BACKGROUND**

The Morgan Hill Redevelopment Agency (the "Agency") is presently in the process of amending the Ojo de Agua Redevelopment Plan (the "Plan" or "Project Area") to detach territory where blight is no longer present or prevalent, and to improve the Plan's financial capacity. The Agency is also considering re-authorizing eminent domain authority in certain non-residential neighborhoods.

As part of the amendment, the Agency is preparing a program environmental impact report for the proposed amendment. Such documents are generally necessary for major amendments to existing redevelopment plans.

The California Environmental Quality Act (CEQA) requires that the City and/or Agency hold a meeting to solicit comments on the proposed scope of the Program EIR. This meeting should be held during the Initial Study and Notice of Preparation review period. The attached Initial Study was circulated on June 5, 2006, and the review period will end on July 6, 2006.

### PROJECT DESCRIPTION

The Ojo de Agua Redevelopment Project Amendment (Plan Amendment or Project) proposes to amend the 1999 Community Development Plan of the Ojo de Agua Project, originally adopted June 30, 1981. This proposed Plan Amendment has been initiated by the Morgan Hill Redevelopment Agency (the Agency) to accomplish the following actions:

- 1. Detach approximately 492 acres of territory (Detachment Area) from the existing 2,747-acre Redevelopment Plan Project Area (Project Area).
- 2. Increase the Agency's authorized tax increment cap by \$335 million to \$582 million within the 2,255-acre Remaining Area (or Amended Project Area, consisting of the Project Area less the Detachment Area).
- 3. Increase total bond limit for the Ojo de Agua Redevelopment Project to \$150 million.
- 4. Re-authorize eminent domain authority on non-residentially occupied properties within the Amended Project Area.

These actions are intended to facilitate the continued removal of blight in the Amended Project Area.

### CASE ANALYSIS

The attached Initial Study identifies potential significant adverse impact in three areas: traffic, public services, and utilities. Because of this, a focused program environmental impact report is recommended in the Initial Study. The environmental documents would analyze the environmental impacts of the plan amendment on a programmatic level, much as an EIR for a general plan. Subsequent environmental documentation would evaluate impacts of specific developments (including redevelopment-funded projects) on a project level.

Redevelopment plans are very long-range programs aimed at reducing or eliminating conditions of physical and economic blight in an area where they are found to prevail. Because of their long-range character, redevelopment plans are usually very general and programmatic in nature. As such, their impacts are evaluated on a long-term programmatic basis, with subsequent environmental analysis necessary to detail the impacts of specific projects.

Relevant taxing agencies, responsible agencies and trustee agencies have been invited to this meeting, and may have input into the scope of the EIR. The Planning Commission as a whole or its individual members may also comment on the scope of the EIR, as may interested individuals.

### RECOMMENDATION

Review the attached Initial Study and affirm the proposed scope of the Program EIR.

# Attachments:

Expanded Initial Study for the Ojo de Agua Redevelopment Project Amendment

### CITY OF MORGAN HILL CALIFORNIA ENVIRONMENTAL QUALITY ACT EXPANDED INITIAL STUDY

### I. PROJECT DESCRIPTION

A. PROJECT TITLE	B. LEAD AGENCY NAME AND ADDRESS				
Ojo de Agua Redevelopment Project Amendment	City of Morgan Hill 17555 Peak Avenue Morgan Hill, CA 95037				
C. CONTACT PERSON AND PHONE NUMBER	D.	PROJECT LOCATION			
Kathleen Molloy Previsich, Community Development Director (408) 779-7248	Generally located south of Burnett, west of Juan Hernandez, north of Fisher and east De Witt, in the City of Morgan Hill. (Reference Project Area Location Map, Figure 1)				
E. PROJECT SPONSOR'S NAME AND ADDRESS	F. GENI	ERAL PLAN DESIGNATION			
Morgan Hill Redevelopment Agency 17555 Peak Avenue Morgan Hill, CA 95037-4128	GENERAL PLAN	See Item #G, below			

#### G. DESCRIPTION OF THE PROJECT

The Ojo de Agua Redevelopment Project Amendment (Plan Amendment or Project) proposes to amend the 1999 Community Development Plan of the Ojo de Agua Project, originally adopted June 30, 1981. This proposed Plan Amendment has been initiated by the Morgan Hill Redevelopment Agency (the Agency) to accomplish the following actions:

- 1. Detach approximately 492 acres of territory (Detachment Area) from the existing 2,747-acre Redevelopment Plan Project Area (Project Area). See Figure 2.
- 2. Increase the Agency's authorized tax increment cap by \$335 million to \$582 million within the 2,255-acre Remaining Area (or Amended Project Area, consisting of the Project Area less the Detachment Area).
- 3. Increase total bond limit for the Ojo de Agua Redevelopment Project to \$150 million.
- 4. Re-authorize eminent domain authority on non-residentially occupied properties within the Amended Project Area.

These actions are intended to facilitate the continued removal of blight in the Amended Project Area.

A description of the existing land uses and General Plan designated land uses by acreage in the Existing Project Area, Detachment Area and Amended Project Area is provided below:

Existing Land Use										
	Existing P	roject Area	Detachme	ent Area	Amended Project Area (Remaining Area)					
Land Use	Parcels	Acres	Parcels	Acres	Parcels	Acres				
Single Family Residential	2,527	637.26	454	76.82	2,073	560.44				
Multiple Family	705	123.90	27	2.04	678	121.86				
Mobile Home Park	195	57.11	0	0.00	195	57.11				
Commercial	195	238.35	17	47.28	178	191.07				
Office/Professional	69	37.60	6	10.69	63	26.91				
Industrial	223	448.05	51	191.84	172	256.21				
Institutional	31	42.96	1	2.00	30	40.96				
Public	98	241.14	3	22.75	95	218.39				
Vacant	208	562.44	15	74.18	193	488.26				
Streets and Rights of Way		358.32		64.14		294.18				
Total	4,251	2,747.13	574	491.74	3,677	2,255.39				

## General Plan Land Use

•				<b>.</b>		g Area (or ed Project
WWW.WW.WW.WW.WW.WW.WW.WW.WW.WW.WW.WW.WW	Existing P	roject Area	Detachm	ent Area	Aı	rea)
Land Use	Parcels	Parcels Acres		Acres	Parcels	Acres
Residential Estate	32	81.59	0	0.00	32	81.59
Single Family Low	232	21.95	0	0.00	232	21.95
Single Family Medium	1,814	411.55	432	63.24	1,382	348.31
Multi-Family Low	1,116	627.62	41	3.41	1,075	624.21
Multi-Family Medium	196	120.45	0	0.00	196	120.45
Multi-Family High	2	1.54	0	0.00	2	1.54
Mixed Use	272	72.86	0	0.00	272	72.86
Commercial	170	197.30	8	22.35	162	174.95
General Commercial	6	15.24	6	15.24	0	0.00
Campus Industrial	2	16.25	0	0.00	2	16.25
Non-Retail Commercial	69	40.17	0	0.00	69	40.17
Industrial	276	586.81	86	306.83	190	279.98
Public Facilities	22	117.21	1	16.53	20	100.68
Streets and Rights of Way		358.32		64.14		294.18
•	4,209	2,668.86	574	491.74	3,635	2,177.12

Source: GRC Redevelopment Consultants based on field surveys, Santa Clara County Assessor's data, and City of Morgan Hill GIS data. 2006

### H. SURROUNDING LAND USES AND SETTING

Uses surrounding the Amended Project Area are of similar uses and densities. Surrounding land uses include a mix of residential, commercial and industrial uses. U.S. Highway 101 is located east of the Amended Project Area.

The Amended Project Area and surrounding area are highly urbanized. According to the City Master Environmental Impact Report for the General Plan (General Plan EIR), there are limited biological resources in areas of the City outside the Amended Project Area. Identified communities include non-native grassland, with intermittent occurrences of chaparral and oak woodlands/savannah in surrounding areas. Potential burrowing owl habitat occurs in the central portion of the Amended Project Area. There are a limited number of recorded and potential archaeological resources along nonchannelized creek beds in areas east and west of the Amended Project Area. Locally and/or nationally designated historical resources occur in and surrounding the Amended Project Area, with historical structures located within the Downtown area.

### II. ENVIRONMENTAL CHECKLIST AND DISCUSSION OF POTENTIAL EFFECTS

This section includes the environmental checklist required by CEQA, an explanation of the responses made to questions on the checklist and mitigation measures necessary to reduce impacts to less than significant levels.

A. LAND USE AND PLANNING  Would the proposal result in the following environmental effects:	No	Less Than Significant Impact	Less than Significant with Mitigation Incorporated	Potentially Significant Impact	Sources <sup>1</sup>
<ol> <li>Conflict with existing general plan designation or zoning?</li> </ol>	Ø		Ġ		GP, GPEIR, Zoning, CRL, field studies
2. Conflict with applicable environmental plans or policies adopted by agencies with jurisdiction over the project?		ū	a		GP, GPEIR, Zoning,
3. Be incompatible with existing land uses in the vicinity?	$\square$		Ġ	a	GP, field studies
4. Affect agricultural resources or operations (e.g. soils or farmlands)?	Ø				GP, field studies
5. Disrupt or divide the physical arrangement of an established community?	Ø	<b>Q</b>	<b>.</b>		GP, field studies

#### Discussion:

In accordance with California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.; the "CRL"), future development within a redevelopment project area that is directly or indirectly attributable to Agency activities must be consistent with land use policies established within the jurisdiction's General Plan and Zoning Code. Consistent with this CRL provision, the proposed Plan Amendment is not a land use proposal. Rather, it is an enabling

<sup>&</sup>lt;sup>1</sup> GP = City of Morgan Hill General Plan, revised August 2005; GPEIR = City of Morgan Hill General Plan Draft EIR, March 2001; Zoning = City Zoning Code, current; CRL = Community Redevelopment Law; Field studies conducted March – May 2006 by GRC Redevelopment Consultants, Inc.

tool to be used by the Agency for the purpose of encouraging the rehabilitation of blighted areas. The Plan Amendment proposes a series of actions to facilitate the continued removal of blight in the Amended Project Area. Conditions of blight that previously existed in the Detachment Area have been alleviated through past Redevelopment Plan actions; and consequently, the Project proposes to remove the Detachment Area from the Ojo de Agua Redevelopment Project.

Future development and redevelopment activities within the Amended Project Area will occur in accordance with the General Plan, Zoning Code and applicable environmental plans and policies. Environmental impacts resulting from the adoption and implementation of the proposed Plan Amendment, including compatibility with existing land use, will be no greater than those anticipated in the environmental documentation for the General Plan. As such, the Project will be compatible with existing planned land uses and applicable environmental plans and policies, and will not result in the physical division of established communities.

As noted in Item A.4, above, there are no agricultural resources or lands designated for agriculture in the Amended Project Area. Consequently, no impacts to land use and planning are expected to result from the Plan Amendment.

B. Would	POPULATION AND HOUSING  I the proposal:	No	Less Than Significant Impact	Less than Significant with Mitigation Incorporated	Potentially Significant Impact	Sources <sup>2</sup>
	umulatively exceed official regional or cal population projects?	Ø			ם	GP Reg. Coord.; SCJAP
di	duce substantial growth in an area either rectly or indirectly (e.g. infrastructure spansion)?	☒		o	. •	GP, CEQA Guidelines
	isplace existing housing, especially fordable housing?		Ø			CRL

#### Discussion:

As defined in Section 15126.2 of the CEQA Guidelines, growth-inducing impacts of a project are those which could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Included in this definition are projects which would remove obstacles to population growth (a major expansion of a wastewater treatment plant might, for example, allow for more construction in service areas). The Plan Amendment is intended to facilitate removal of blighting conditions in the Amended Project Area. Any growth that occurs either directly or indirectly through Plan Amendment efforts would be consistent with the General Plan and related planning and environmental plans and policies. Growth in the City is regulated by the Residential Development Control System

<sup>&</sup>lt;sup>2</sup> GP Reg Coord. = City of Morgan Hill General Plan Regional Coordination Element; SCJAP = South County Joint Area Plan, which was established in recognition of the increasingly regional nature of growth and development. The SCJAP has been enacted by Morgan Hill with the city of Gilroy and Santa Clara County to address area-wide planning issues in the South County area; CRL = Community Redevelopment Law.

(RDCS) that limits the City's residential growth to about 250 new dwelling units per year. The RDCS was renewed by Morgan Hill voters in 2004 as Measure C to be in effect through the year 2020, and is part of the City's General Plan. The Project will not alter these General Plan policies or any other regional or local population projections. It would not induce substantial growth.

Although the Plan Amendment may re-authorize eminent domain on non-residentially occupied properties, the Plan Amendment, as required by CRL, will contain policies to mitigate potential impacts should existing businesses or houses (not currently occupied by residents) be displaced because of Plan activities. Required policies of the Plan include a relocation plan for any displaced business, and contributions to a low- and moderate-income housing fund to provide replacement, new and renovated dwelling units. Consequently, potential impacts relative to displacement of housing are expected to be less than significant, and no mitigation is required.

	GEOLOGIC PROBLEMS  ould the proposal result in or expose people potential impacts involving:	No	Less Than Significant Impact	Less than Significant with Mitigation Incorporated	Potentially Significant Impact	Sources <sup>3</sup>
1.	Fault Rupture?		Ø			GPEIR
2.	Seismic ground shaking?	<u> </u>	团	0	0	GPEIR
3.	Seismic ground failure including liquefaction?		团	0		GPEIR
4.	Seiche, tsunami, or volcanic hazard?		团		<b>ם</b>	GPEIR
5.	Landslides or mudflows	a	☑		0	GPEIR
6.	Erosion, changes in topography or unstable soil conditions from excavation, grading or fill?		Ø	Q	۵	GPEIR
7.	Subsidence of the land?	<b>D</b> .	Ø			GPEIR
8.	Expansive soils?		团		. •	GPEIR
9.	Unique geologic or physical features?	Ø			ū	GPEIR

### Discussion:

According to the General Plan EIR, the Amended Project Area is not within areas of high geologic or soils hazards. The Amended Project Area is not located within the boundaries of an

<sup>&</sup>lt;sup>3</sup> GP = City of Morgan Hill General Plan, revised August 2005; GPEIR = City of Morgan Hill General Plan Draft EIR, March 2001; Zoning = City Zoning Code, current; CRL = Community Redevelopment Law; Field studies conducted March – May 2006 by GRC Redevelopment Consultants, Inc.

Earthquake Fault Zone for fault-rupture hazard as defined by the Alquist-Priolo Earthquake Fault Zoning Act. No evidence of past occurrences of strong seismic ground shaking, seismic-related ground failure or liquefaction, or landslides have been identified in or adjacent to the Amended Project Area.

There are a number of active and potentially active faults that are located within the vicinity of the City. These include the Calaveras Fault, which is a major branch of the San Andreas located about three miles east of the City, and the Sargent Fault located about eight miles west of the City. There are also three smaller faults, all of which appear to be connected to the Calaveras Fault, including the Silver Creek Fault, the Coyote Creek Thrust Fault, and the Range Front Thrust Fault, which are all located from one half mile to one mile east of the City. These faults could result in future occurrences of groundshaking, surface rupture or liquefaction. Any grading or other landform modifications conducted in the Amended Project Area would require separate City Building Division review. This review process and conformance to the California Building Code, which may include preparation of a geotechnical report, will reduce potential impacts to an acceptable level of risk. Further, improvements to existing buildings and the construction of new buildings that may occur as a result of Plan Amendment activities will reduce potential risks to their occupants through the application of modern building code standards.

Therefore, the potential of the Project to cause adverse impacts relative to the above-defined geology and soils factors is considered less than significant, and no mitigation is required. The Amended Project Area is generally flat and urbanized. There are no identified unique geologic or physical features identified within the area.

D.	WATER			Less than Significant		
W	ould the proposal result in:		Less Than Significant	with Mitigation	Potentially Significant	~ 4
1.	Changes in absorption rates, drainage pattern, or the rate and amount of surface	No ☑	Impact	Incorporated	Impact	Sources <sup>4</sup> GPEIR
	runoff?				•	
2.	Exposure of people or property to water related hazards such as flooding?	Ø		0		GPEIR
3.	Discharge into surface waters or alter surface water quality?	团	· <b>a</b>			GPEIR
4.	Changes in the amount of surface water in any water body?	团		. 🗖		GPEIR
5.	Changes in currents, or the course or direction of water movements?	Ø	, 			GPEIR
6.	Changes in quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations or through substantial loss of ground water recharge capability?	☑		<u> </u>		Field studies
7.	Altered direction or rate of flow of groundwater?	☑		0	۵	GPEIR
8.	Impacts to groundwater quality?	Ø			a	Santa Clara Valley Water District
9.	Substantial reduction in the amount of ground water otherwise available for public water supplies?	团		۵	o	GPEIR

According to the General Plan EIR, the northeast portion of the Amended Project Area is within the Llagas Creek 100 year floodplain, an area with a one percent or greater chance of being flooded in any year. Development in the floodplain must be controlled because it can increase flooding hazards by raising water levels upstream and by adding flow, velocity and debris downstream. The Butterfield Channel traverses the Amended Project Area, containing flows passing through the area and disbursing them into flood control facilities to the south. No identified natural body of water occurs in the Amended Project Area.

<sup>&</sup>lt;sup>4</sup> GPEIR = City of Morgan Hill General Plan Draft EIR, March 2001; Santa Clara Valley Water District; Field studies conducted March – May 2006 by GRC Redevelopment Consultants, Inc.

According to information available through the Santa Clara Valley Water District,<sup>5</sup> perchlorate has been found in shallow groundwater between 30 and 150 feet below ground within two-thirds mile south of Tennant Road and the Amended Project Area. Perchlorate is a federally regulated compound that has been manufactured for military use and can also occur naturally in certain highly arid environments. In high concentrations, perchlorate has been found to cause health problems. No detections of perchlorate were found in the Madrone Channel recharge facility that catches runoff from areas south of Tennant Road.

Although the Amendment Project Area is characterized as urbanized, approximately 20% of the area is vacant land; the development of these properties will increase the amount of paved impervious surfaces, potentially increasing runoff. These potential increases in runoff are expected to be mitigated by existing state and City policies requiring capturing and detention of on-site drainage.

The Project is expected to generate a continued flow of redevelopment funds that will be available for public improvements, including flood control and water quality improvement facilities. Consequently, the Project is not expected to result in adverse impacts relative to the above-defined water issues.

<sup>&</sup>lt;sup>5</sup> Information obtained from Thomas K.G. Mohr, P.G., E.G., H.G., Perchlorate Project Manager, Groundwater Management Unit, Water Supply Management Division, Santa Clara Valley Water District http://www.valleywater.org/employeelogin, May 2006.

E.	AIR QUALITY			Less than Significant		
W	ould the proposal result in:		Less Than Significant	with Mitigation	Potentially Significant	
	****	No	Impact	Incorporated	Impact	Sources <sup>6</sup>
1.	Violate any air quality standard or contribute to an existing or projected air quality violation?		团			GPEIR BAAQMP
2.	Expose sensitive receptors to pollutants?		Ø	. <b>0</b>		GPEIR BAAQMP
3.	Alter air movement, moisture, or temperature, or cause any change in climate?		团			GPEIR BAAQMP
4.	Create objectionable odors?	Ø				Project Description

The City of Morgan Hill, inclusive of the Amended Project Area, is located in the San Francisco air basin, which is under the jurisdiction of the Bay Area Air Quality Management District (BAAQMD). The Plan Amendment will be consistent with the General Plan, and thus by extension, consistent with the land use and population projections used for the BAAQMD Air Quality Management Plan (AQMP). Consequently, the Project will not obstruct implementation of applicable air quality plans.

Pollutants are introduced into the BAAQMD region through a variety of natural and man-made sources, although the vast majority of the air pollution in the local vicinity can be attributed to mobile sources, such as motor vehicles. Implementation of the Plan Amendment will not contribute to any existing air quality violations.

Although mitigation measures to limit increases in air emissions have been adopted pursuant to the AQMP and City policy, future new development and redevelopment in the Amended Project Area could result in incremental increases in local air pollutant and particulate emissions. The exact character of such new development is not known, and whether or not such emissions would result is indeterminable at this time. As future development occurs, each proposal will be subject to an individual environmental review conducted in accordance with CEQA, AQMP and City regulations that are already in place. At such time, project review will include an analysis of potential air quality impacts and the potential for emissions of hazardous or noxious air pollutants or fumes. Where warranted, individual mitigation measures will be applied as appropriate in consultation with the BAAQMD. Adoption and implementation of the Plan Amendment will not affect the existing project review process.

Redevelopment activities are expected to stimulate the elimination of blight and the pace of new energy-efficient development. Consequently, anticipated impacts to the above-defined air quality impacts are expected to be less than significant, and no mitigation is required.

<sup>&</sup>lt;sup>6</sup> GPEIR = City of Morgan Hill General Plan Draft EIR, March 2001; BAAQMP = Bay Area Air Quality Management Plan; Project Description = reference Item 1G, above.

F.	TRANSPORTATION/CIRCULATION ould the proposal result in:	No	Less Than Significant Impact	Less than Significant with Mitigation Incorporated	Potentially Significant Impact	Sources <sup>7</sup>
1.	Increased vehicle trips or traffic congestion?				Ø	GPEIR
2.	Hazards to safety from design features (e.g. sharp curves or dangerous intersections) or incompatible uses?	Ø				Project Description
3.	Inadequate emergency access or access to nearby uses?	Ø	O			Project Description
4.	Insufficient parking capacity on-site or off-site?	Ø	0	0	<b>_</b>	Project Description
5.	Hazards or barriers for pedestrians or bicyclists?	Ø				Project Description
6.	Conflicts with adopted policies supporting alternative transportation (e.g. bus turnouts, bicycle racks)?	Ø		. 0	O	Project Description
7.	Affect rail, water or air traffic impacts?	团	. 0	0	0	Project Description

Implementation of the Plan Amendment could accelerate redevelopment of underutilized portions of the Amended Project Area. This in turn, could affect traffic volumes or patterns in the area. Facilitating planned traffic improvements is a key objective of the Plan Amendment. Traffic improvements that could be funded through implementation of the Plan Amendment include: Butterfield Boulevard extension (south of Tennant), Tennant Avenue overcrossing/grade separation, Butterfield Boulevard over-crossing, Monterey Road utility undergrounding, various sidewalk construction and street extensions. In addition, the City has an existing Traffic Impact Fee program that requires development projects to pay their fair share of traffic improvement costs.

To ensure that future development in the Amended Project Area is properly coordinated with planned traffic improvements, the EIR will evaluate existing and planned transportation systems in the vicinity of the Amended Project Area and how the proposed Plan Amendment would affect these systems.

<sup>&</sup>lt;sup>7</sup> GPEIR = City of Morgan Hill General Plan Draft EIR, March 2001; Project Description = reference Item 1G, above.

Although the Plan Amendment would provide funding for traffic improvements, it would not alter existing City circulation plans relative to roadway design, parking, emergency access, pedestrian and bicycle circulation, or alternative transportation requirements. Similarly, the Plan Amendment is not expected to adversely impact the existing rail line that traverses the Amended Project Area. No water or air traffic operations occur in the vicinity of the Amended Project Area. Consequently, the Project would not result in significant adverse impacts to these transportation and circulation issues.

G.	BIOLOGICAL RESOURCES	No	Less Than Significant Impact	Less than Significant with Mitigation Incorporated	Potentially Significant	Sources <sup>8</sup>
1.	Disturb any endangered, threatened or rare species or their habitats (including but not limited to plants, fish, insects, animals or birds)?		✓		Impact	GPEIR
2.	Affect locally designated species (e.g. heritage trees)?	0	☑			GPEIR
3.	Affect locally designated natural communities (e.g. oak forest, coastal habitat, etc)?					GPEIR
4.	Disturb wetland habitat (e.g. marsh, riparian and vernal pool)?	Q	团	۵		GPEIR
5.	Affect wildlife dispersal or migration corridors?					GPEIR

As discussed above, there are limited biological resources in areas of the City outside the Amended Project Area. Identified communities include non-native grassland, with intermittent occurrences of chaparral and oak woodlands/savannah in surrounding areas. Burrowing owl, listed by the State of California as a species of concern, may nest within the undeveloped areas in the central portion of the Amended Project Area. All future construction activities in potential nesting areas are required to conform to the citywide Burrowing Owl Habitat Mitigation Plan, including, but not limited to, a preconstruction survey to determine the presence or absence of burrowing owl habitat. No threatened, endangered or other sensitive plant or animal species are expected to be present in the Amended Project Area, and the area is not within a habitat conservation area.

The City General Plan contains a number of policies to protect streams and creeks that flow through Morgan Hill. The West Little Llagas Creek traverses the Amended Project Area. A number of General Plan policies specifically address this creek, including policies 12i, 7h, and 5c, which promote implementation of a bikeway and park along Little Llagas Creek. As noted previously, the Plan Amendment will be consistent with the General Plan and its policies.

Biological resources in the Amended Project Area would be protected by exiting City policies and plans. Pursuant to these existing policies and plans, potential significant adverse impacts from the Project relative to the above-defined biological resources are expected to be reduced to less than significant levels; and no mitigation is required.

<sup>&</sup>lt;sup>8</sup> GPEIR = City of Morgan Hill General Plan Draft EIR, March 2001.

н.	ENERGY AND MINERAL RESOURCES ould the proposal:	NY o	Less Than Significant	Less than Significant with Mitigation	Potentially Significant	9
VV	ould the proposal.	No	Impact	Incorporated	Impact	Sources
1.	Conflict with adopted energy conservation plans?	☒		. 0		Project Description
2.	Use non-renewable resources in a wasteful and inefficient manner?	Ø			0	Project Description
3.	Result in the loss of availability of a known mineral resource that would be of future value to the region and the residents of the state?	Ø	<u> </u>			Project Description

Redevelopment activities are expected to stimulate the elimination of blight and the pace of new energy-efficient development. Any development that occurs in the Amended Project Area would be consistent with the General Plan. The Project is not expected to conflict with energy conservation plans, use non-renewable resources in a wasteful or inefficient manner. No mineral resources occur within the vicinity of the Amended Project Area. Therefore, no significant adverse impacts from the Project relative to the above-defined energy and mineral resources are expected to occur.

<sup>&</sup>lt;sup>9</sup> Project Description = reference Item 1G, above.

I.	HAZARDS ould the proposal involve:		Less Than	Less than Significant with	Potentially	
		No	Significant Impact	Mitigation Incorporated	Significant Impact	Sources <sup>10</sup>
1.	A risk of accidental explosion or release of hazardous substances (including, but not limited to: oil, pesticides, chemicals or radiation)?		Ø		٥	Project Description
2.	Possible interference with an emergency response plan or emergency evacuation plan?	Ø	0	٥	٥	GPEIR, Project Description
3.	The creation of any health hazard or potential health hazard?		团			Project Description
4.	Exposure of people to existing sources of potential health hazards?					Project Description
5.	Increased fire hazard in areas with flammable brush, grass or trees?	团	ū	٥	O	GPEIR, Project Description

Existing and new industrial uses in or adjacent to the Amended Project Area are subject to project review by the City. New industrial uses also would be subject to federal and state regulations and local ordinances that regulate the transport, manufacture, use and disposal of hazardous materials. Older buildings may contain hazardous materials, such as lead-based paint and asbestos containing materials. Removal of these materials is regulated by state and federal ordinances. These regulations and ordinances are expected to reduce potential adverse impacts relative to hazardous materials in the Amended Project Area to less than significant levels. Therefore, the potential for any adverse impacts on the environment due to hazards and hazardous materials is less than significant, and no mitigation is required.

The Project would be consistent with existing policies of the General Plan and Zoning Code; and would not interfere with emergency response or evacuation plans. The Project is not within a designated fire hazard area. Consequently, no impacts to emergency plans or fire hazards would occur from Project implementation.

<sup>&</sup>lt;sup>10</sup> GPEIR = City of Morgan Hill General Plan Draft EIR, March 2001; Project Description = reference Item 1G, above.

J. Wo	NOISE puld the proposal result in:	No	Less than Significant Less Than with Potentially Significant Mitigation Significant Impact Incorporated Impact			Sources <sup>11</sup>
1.	Increase in existing noise levels?		团			Project Description
2.	Exposure of people to severe noise levels?		Ø	a		GP

Implementation of the Plan Amendment could accelerate redevelopment of underutilized portions of the Amended Project Area. This in turn, could affect noise levels from local traffic and construction activities. However, noise standards established by the General Plan and local ordinance regulate potential noise impacts from new development in the Amended Project Area. Implementation of the Plan Amendment will allow the Agency to use its resources to underwrite mitigation of noise impacts resulting from future redevelopment projects, if required. Therefore, the potential for significant adverse impacts on the environment relative to ambient noise or ground vibrations in the Amended Project Area or as a result of Project implementation is less than significant, and no mitigation is required.

<sup>&</sup>lt;sup>11</sup> GP = City of Morgan Hill General Plan, revised August 2005; Project Description = reference Item 1G, above.

K.	PUBLIC SERVICES			Less than		
res	ould the proposal have an effect upon or ult in a need for new or altered government vices in any of the following areas:	No	Less Than Significant Impact	Significant with Mitigation Incorporated	Potentially Significant Impact	Sources <sup>12</sup>
1.	Fire protection?				Ø	Project Description
2.	Police protection?			٥		Project Description
3.	Schools?	Ø				Project Description
4.	Maintenance of public facilities, including roads?					Project Description
5.	Other government services?	Ø				Project Description
	· ·					

Implementation of the Plan Amendment could accelerate redevelopment of underutilized portions of the Amended Project Area. This in turn, could accelerate demand for fire protection and police protection. Although such development will be consistent with the General Plan, the need for these services may accelerate beyond available capacity, resulting in potentially significant adverse impacts. The EIR for the Project will evaluate potential impacts related to the fire protection and police protection services.

As discussed under Item #B, above, growth in the City is regulated by the RDCS that limits the City's residential growth to about 250 new dwelling units per year. Consequently, the Project is not expected to adversely impact schools or other public facilities. The Plan Amendment is expected to generate a continued flow of tax increment revenue for the improvement of public facilities. Consequently, the Project is not expected to adversely impact the maintenance of public facilities

<sup>&</sup>lt;sup>12</sup> Project Description = reference Item 1G, above.

L.	UTILITIES			Less than		
sys	ould the proposal result in a need for new stems or supplies, or substantial alterations the following utilities:	No	Less Than Significant Impact	Significant with Mitigation Incorporated	Potentially Significant Impact	Sources <sup>13</sup>
1.	Power or natural gas?				☒	Project Description
2.	Communication systems?		0	a	$\square$	Project Description
3.	Local or regional water treatment or distribution facilities?				$\square$	Project Description
4.	Sewer or septic tanks?				$\square$	Project Description
5.	Storm water drainage?				☑	Project Description
6.	Solid waste disposal?		O		$\square$	Project Description
7.	Local or regional water supplies?				Ø	Project Description

Implementation of the Plan Amendment could accelerate redevelopment of underutilized portions of the Amended Project Area. This in turn, could accelerate demand for utilities. Although such development will be consistent with the General Plan, the need for these utilities may accelerate beyond available capacity, resulting in potentially significant adverse impacts. To ensure that future development in the Amended Project Area is properly coordinated with existing and planned utility capacity, the EIR will evaluate existing and planned utility systems in the vicinity of the Amended Project Area and how the proposed Plan Amendment would affect these systems.

M. AESTHETICS  Would the proposal:	No	Less Than Significant Impact	Less than Significant with Mitigation Incorporated	Potentially Significant Impact	Sources <sup>14</sup>
1. Affect a scenic vista or scenic highway?	团				GP
2. Have a demonstratable negative aesthetic effect?	Ø	. •	٥		Project Description
3. Create light or glare?	团		Q		Project Description

<sup>&</sup>lt;sup>13</sup> Project Description = reference Item 1G, above.

<sup>&</sup>lt;sup>14</sup> GP = City of Morgan Hill General Plan, revised August 2005; Project Description = reference Item 1G, above.

A primary goal of the Plan Amendment is to eliminate existing blighting conditions within the Amended Project Area. Consequently, implementation of the Plan Amendment is expected to have a demonstrable positive aesthetic effect on the Amended Project Area.

New development and redevelopment in the Amended Project Area will not result in the obstruction of any identified scenic highways or vistas. Redevelopment activities could encourage new or significantly rehabilitated development throughout the Amended Project Area, which in turn could contribute to an improved positive visual image for the Amended Project Area as well as surrounding areas.

Future development may produce new sources of light and glare that could affect adjoining sensitive residential and institutional land uses. The primary source of additional light and glare will come from parking lot and building lighting. Chapter 18.74 of the City Zoning Code establishes design review standards for development within the City. Specifically, Chapter 18.74 contains design review guidelines that provide specific criteria relative to building design and materials and lighting. These City standards would reduce potential impacts relative to light and glare or visual character of future development to an acceptable level. Consequently, no significant adverse impacts from the Project relative to the above-defined aesthetics factors are expected to occur.

N. CULTURAL RESOURCES Would the proposal:	No	Less Than Significant Impact	Less than Significant with Mitigation Incorporated	Potentially Significant Impact	Sources <sup>15</sup>
1. Disturb paleontological resources?		团			GPEIR
2. Disturb archaeological resources?		☑			GPEIR
3. Affect historical resources?		Ø	o		GPEIR
4. Have the potential to cause a physical change which would affect unique ethnic cultural values?	۵	Ž		۵	GPEIR
5. Restrict existing religious or sacred uses within a potential impact area?	٥	Ø		a	GPEIR

#### Discussion:

There are a limited number of recorded and potential archaeological resources along nonchannelized creek beds in areas east and west of the Amended Project Area. Locally and/or nationally designated historical resources occur in and surrounding the Amended Project Area, with numerous historical structures located within the Downtown area. As part of the City's development approval process, all development projects are required to comply with CEQA,

<sup>&</sup>lt;sup>15</sup> GPEIR = City of Morgan Hill General Plan Draft EIR, March 2001.

including review of site-specific archeological, paleontological, historical or cultural resources if appropriate. Should any cultural resources be potentially affected by proposed development or redevelopment activities, the City's approval process will require that impacts to the resources be eliminated or reduced through mitigation. The City's development approval process is expected to reduce potential significant adverse impacts from the Project relative to the above-defined cultural resources to less than significant levels; and no mitigation is required.

O.	RECREATION ould the proposal:	No	Less Than Significant Impact	Less than Significant with Mitigation Incorporated	Potentially Significant Impact	Sources <sup>16</sup>
1.	Increase the demand for neighborhood or regional parks or other recreational facilities?	Ø		<b>D</b>	D	GP
2.	Affect existing recreational facilities?	团				Project Description

#### Discussion:

The Project is expected to generate a continued flow of redevelopment funds that will be available for public improvements, including planned community facilities. These facilities could include: library expansion, sports complex, youth center, or implementation of a community park master plan. Any such improvements that are funded through redevelopment efforts would be required to be reviewed through existing City planning and environmental processes. In addition, because the Plan Amendment will be consistent with land use policies of the General Plan, the Plan Amendment will not increase demand for recreational facilities above and beyond that contained in the General Plan. Therefore, no public recreational facilities are expected to be negatively affected by implementation of the Plan Amendment.

<sup>&</sup>lt;sup>16</sup> GP = City of Morgan Hill General Plan, revised August 2005; Project Description = reference Item 1G, above.

Р.	MANDATORY FINDINGS	No	Less Than Significant Impact	Less than Significant with Mitigation Incorporated	Potentially Significant Impact	Sources <sup>17</sup>
1.	Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?		<b>☑</b>			GPEIR
2.	Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<b>-</b>			Ø	GPEIR, Project Description
3.	Does the project have environmental effects which will cause substantial adverse effects to human beings, either directly or indirectly?	<u> </u>	☑	ū		GPEIR, Project Description

As discussed above, the Amended Project Area is urbanized. It does contain potential burrowing owl nesting area and creeks. There is also potential for the Amended Project Area to contain cultural resources. Existing City polices and plans are expected to reduce potential impacts to these resources to less than significant levels.

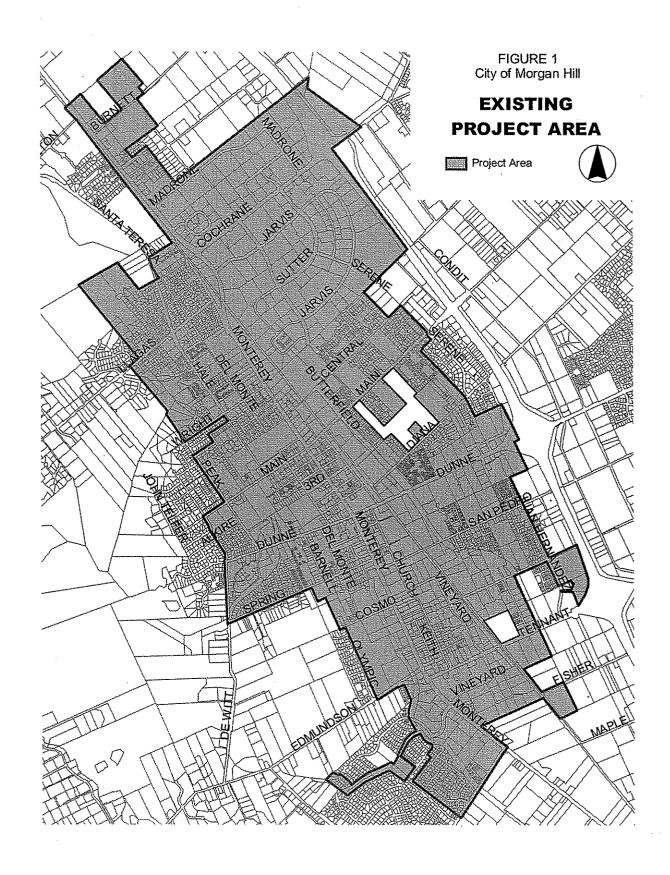
Future new development and redevelopment in the Amended Project Area could result in traffic increases, public service and utility demands that may not be fully mitigated by existing City policies. This could result in cumulative impacts requiring mitigation. Further assessment of potential cumulative traffic impacts associated with the Project will be provided in the Draft EIR.

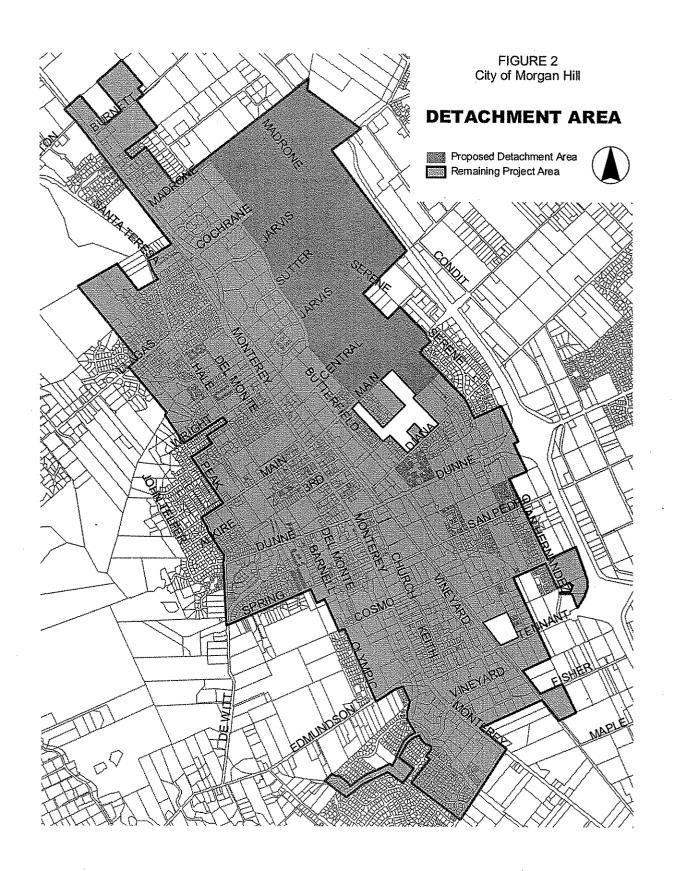
<sup>&</sup>lt;sup>17</sup> GPEIR = City of Morgan Hill General Plan Draft EIR, March 2001; Project Description = reference Item 1G, above.

All future development and redevelopment activities accomplished under the proposed Plan Amendment are expected to conform to applicable federal, state and local guidelines. These regulations and ordinances are expected to reduce potential adverse impacts relative to environmental effects to human beings to less than significant levels. Therefore, the potential for any adverse impacts on the environment due to these effects is less than significant, and no mitigation is required.

## **List of Data Sources**

- 1. City of Morgan Hill General Plan
- 2. City of Morgan Hill Zoning Code
- 3. Project Description and Plans
- 4. Field Observations
- 5. Community Redevelopment Law
- 6. CEQA Guidelines
- 7. South County Joint Area Plan
- 8. Santa Clara Valley Water District
- 9. Bay Area Air Quality Management Plan.





### III. DETERMINATION

On the basis of this initial evaluation:

	I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.						
	I find that although the project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on the attached sheet have been added to the project. A MITIGATED NEGATIVE DECLARATION will be prepared.						
	The proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.						
Ø	I find that the proposed project MAY have a "potentially significant impact" on the environment, but at least one effect has been adequately analyzed in an earlier document pursuant to applicant legal standards, and has been addressed by mitigation measures based on the earlier analysis as described on the attached sheets a FOCUSED PROGRAM ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.						
ū	I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (1) have been analyzed in an earlier EIR pursuant to applicable standards, and (2) have been avoided or mitigated pursuant to that earlier EIR, including revisions or mitigation measures that are imposed upon the proposed project no further environmental review is required.						
Signatu							
Printed	Name: <u>Kathleen Molloy Previsich, Community Development Director</u>						
Date:	June 6 2006						

R:\TEMPLATES\CEQA Checklist.doc